

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 93-266-C - ORDER NO. 93-839 ✓  
SEPTEMBER 3, 1993

IN RE: Application of Tele-Communications        ) ORDER  
Group, Inc. for a Certificate of                ) APPROVING  
Public Convenience and Necessity.            ) CERTIFICATE

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Tele-Communications Group, Inc. (the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services in the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-8-280 (Supp. 1992) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed the Company to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of the Company's Application and the manner and time in which to file the appropriate pleadings for participation in the proceeding. The Company complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. Petitions to Intervene were filed by Southern Bell Telephone and Telegraph

Company (Southern Bell)<sup>1</sup> and the South Carolina Department of Consumer Affairs (the Consumer Advocate).

A hearing was commenced on August 24, 1993, at 11:00 a.m., in the Commission's Hearing Room. The Honorable Henry G. Yonce, Chairman, presided. Robert D. Coble, Esquire, appeared on behalf of the Company. Carl F. McIntosh, Esquire, represented the Consumer Advocate, and Florence P. Belser, Staff Counsel, represented the Commission Staff.

The Company presented the testimony of Ted A. Odder, President of Tele-Communications Group, Inc., in support of its Application. Mr. Odder explained the Company's request for authority to provide interexchange telecommunications services in South Carolina as a non-facilities based reseller. Mr. Odder described the Company's services and billing procedures. Mr. Odder testified that Tele-Communications Group, Inc. intends to provide operator-assisted resold telecommunications services. Mr. Odder also stated that the Company planned to utilize the long distance facilities of MCI, Sprint, and Metromedia. Mr. Odder further testified that the Company intends to offer its service primarily to hotels. Mr. Odder testified that Tele-Communications Group, Inc. will comply with the Commission's Guidelines for Operator Services.

Mr. Odder also testified that the Company would revise its

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1. Southern Bell subsequently moved to withdraw its Intervention in this Docket and was allowed to withdraw its Intervention by Order No. 93-723, dated August 11, 1993.

tariff to conform to state law by revising its returned check charge to comply with state law. Mr. Odder also stated the Company would delete the late payment fee on back charges for improper use and the connection fee for reinstitution of service, as neither fee is allowed by the Commission's regulations. Additionally, Mr. Odder testified that the Company would change its maximum rate schedule to conform with maximum rates charged by AT&T. Mr. Odder also stated that Tele-Communications Group, Inc. would likewise recognize the same holidays in its tariff that AT&T recognizes.

After full consideration of the applicable law, the Company's Application, and the evidence presented by the Company, the Consumer Advocate, and the Commission Staff, the Commission hereby issues its findings of fact and conclusions of law:

**FINDINGS OF FACT**

1. Tele-Communications Group, Inc. is incorporated under the laws of the State of Delaware, and is licensed to do business as a foreign corporation in the State of South Carolina by the Secretary of State.
2. Tele-Communications Group, Inc. operates as a non-facilities based reseller of interexchange services and wishes to do so in South Carolina.
3. Tele-Communications Group, Inc. has the experience, capability, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Tele-Communications Group, Inc. to provide intrastate service through the resale of operator-assisted telecommunications services, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for Tele-Communications Group, Inc. for its resale services which includes only maximum rate levels for each tariff charge. For intrastate interLATA "0+" collect and calling card calls, Tele-Communications Group, Inc. may not impose a fixed operator service charge more than the intrastate charges then currently approved for AT&T Communications, and for the usage portion of the call, Tele-Communications Group, Inc. may not charge more than the intrastate rates charged by AT&T Communications at the time such call is completed. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. Tele-Communications Group, Inc. shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. Tele-Communications Group, Inc. shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission

two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1992).

4. Tele-Communications Group, Inc. shall file its revised tariff and an accompanying price list to reflect the Commission's findings within thirty (30) days of the date of this Order. The revised tariff shall include the maximum rate approved for AT&T, and the returned check charge shall not exceed the amount allowed by South Carolina law. Also, the late payment fee on back charges for improper service and the connection fee for reinstitution of service shall be deleted from the revised tariff. Further, the tariff shall be filed with the Commission in a loose-leaf binder.

5. Tele-Communications Group, Inc. should be allowed to incorporate in its tariff a surcharge for operator-assisted and calling card calls not to exceed \$1.00 for calls originated at hotels and motels and at customer-owned pay telephones only if the property owners have not added a surcharge already. That is, the

Company may not impose an additional surcharge to calls originating at hotels and motels and customer-owned pay telephones if such a surcharge has already been imposed by the property owners. If such a charge is applied, however, it should be paid in its entirety to the customer by the Company. Further, if the surcharge is applied, the user should be notified of imposition of the surcharge. This notification should be included in the information piece identifying the Company as the operator service provider for pay telephones and guest phones.

6. Tele-Communications Group, Inc. is required to provide "tent" cards to hotels and motels for placement next to guest telephones identifying it as the provider of operator service for intrastate interLATA distance calls. Tele-Communications Group, Inc. is required to brand all calls identifying itself as the carrier for the motel or hotel.

7. Tele-Communications Group, Inc. is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

8. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if they so desire.

9. Tele-Communications Group, Inc. shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Tele-Communications Group, Inc. changes underlying carriers, it

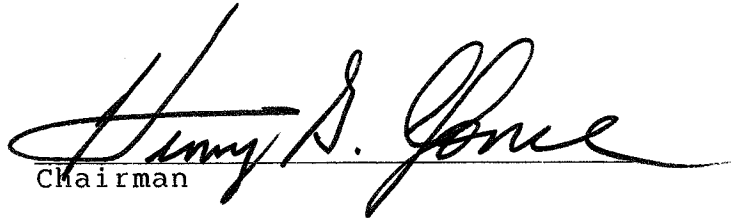
shall notify the Commission in writing.

10. Tele-Communications Group, Inc. shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C ( June 3, 1993).

11. Tele-Communications Group, Inc. shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

12. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)

DOCKET NO. 93-266-C - ORDER NO. 93-839  
SEPTEMBER 3, 1993  
ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS  
FOR RESELLERS OF TELECOMMUNICATION SERVICE

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR 12 MONTHS  
ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

\*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,  
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN  
PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF  
CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR ENDING  
\_\_\_\_\_.

\*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION  
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND  
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE  
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL  
AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3  
ABOVE).